HP Enterprise buys US software startup for $650m

SAN FRANCISCO: Hewlett Packard Enterprise on Tuesday announced a deal to buy business data management firm SimpliVity for $650 million in cash.

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Founded in 2009, the Massachusetts-based Simplivity sells "hyperconverged" systems that combine computing, storage and networking. HPE said the market for such systems was estimated at $2.4 billion last year and was expected to grow to nearly $6 billion by the year 2020.

"This transaction expands HPE's software-defined capability and fits squarely within our strategy to make Hybrid IT simple for customers," HPE chief executive Meg Whitman said in a statement.

HPE, based in Palo Alto, California, was the result of the November 2015 breakup of computing giant Hewlett-Packard. The group was split between its enterprise unit, HPE, and the personal computer and printer business HP Inc. that became a household name but faced increasingly fierce competition.

Whitman has dismantled some of the company as the world increasingly turns to mobile devices and cloud-based computing.

Nearly two years ago SimpliVity announced it had raised $175 million at a valuation of more than a billion dollars, placing it

among highly-valued tech startups referred to as unicorns. The price paid by HPE would indicate that the company had left the unicorn herd.

Source: AFP

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